POLICY BRIEFING:
The cost-of-living crisis for unpaid carers in Wales

Carers in Wales: Key facts

- Research for Carers Week in 2022 estimated that 23%\(^1\) of adults in Wales (approximately 584,134 people) are now supporting a relative, close friend or neighbour because of chronic illness, including mental ill-health, dementia, disability, or older age.

- Unpaid carers undertake a variety of tasks, from administering medication and performing personal care such as washing and toileting to accompanying someone to medical appointments or making their meals. Some carers provide care for a few hours each week while many care for much longer with the number of people providing over 50 hours of care per week having risen by 30% across the UK since 2020\(^2\).

- Before the Covid-19 pandemic it was estimated that unpaid carers saved Wales £8.1bn\(^3\) a year by providing care that health and care services would otherwise have to provide, a sum larger than funding for the NHS in Wales at the time. This increased to a £33m\(^4\) saving every day at the height of the Covid-19 pandemic as more people took on caring tasks.

- People in Wales have a 50:50 chance of becoming a carer by the age of 45\(^5\).

- The number of carers is expected to continue to increase as more people live for longer with ill health.

The financial vulnerability of unpaid carers

The spring and summer of 2022 has seen a worsening cost-of-living crisis that is impacting people across the UK. Inflation is predicted to continue to rise from an already high level for the foreseeable future, driven by the rising cost of energy, fuel and food.

\(^1\) Carers Week (2022): Carers Week 2022 Report  
\(^2\) ibid  
\(^3\) Carers UK (2015): Valuing Carers 2015 – the rising value of carers’ support  
\(^4\) Carers Wales (2020): Unpaid carers in Wales have saved £33 million every day of the pandemic  
\(^5\) Carers UK (2019): Will I Care report
The economic situation is impacting people in Wales severely. Polling conducted for the Bevan Foundation in May and June 2022 found that more than one in eight Welsh households (13%)\(^6\) either sometimes or often struggle to afford everyday items. Research released by Citizen’s Advice Cymru in July 2022 revealed that 8%\(^7\) of people in Wales, or more than 100,000 households, have no money left for food and other costs after they have paid for housing and other recurring bills. Even beyond those in a dire financial situation, the research suggested the majority of the Welsh public anticipate having to cut back on their expenditure, with 53% of people saying they will have to cut back their spending on energy in the next six months, and 56% say they will have to spend less on food and household goods in the second half of 2022.

Unpaid carers are particularly exposed to this crisis as the additional costs of caring pile on top of the usual costs experienced by most people. Many carers face higher energy bills to run equipment that is indispensable to caring\(^8\), such as electric hoists or sleeping aids, and many conditions can only be managed if the home is consistently heated to a suitable temperature. Carers face higher transport costs through additional use of fuel or spending on taxis or public transport to take the people they look after to frequent medical appointments and checkups. Carers may also have to pay for certain medicines and treatments out of their own pocket and can even face higher food bills to provide appropriate food for the person they look after. These costs may have been experienced for many years leading up to the present crisis, depleting savings, and are expected to continue.

In addition to being vulnerable to rising bills, many unpaid carers have to cut back on their hours at work or leave employment altogether to manage their caring responsibilities, severely impacting their income. University of Sheffield research\(^9\) in 2020 found that 30% of unpaid carers had reduced their hours at work because of caring, and 71%\(^10\) of working carers in Wales have told us that they worry about their ability to continue to juggle caring with employment. This means many carers can struggle to build up a pension pot and can find themselves rapidly using up their savings.

“Many of the expenses of those with disabilities and their carers aren't things that we can change... most people can try and reduce expenditure in most areas of their lives except rent, Council Tax etc. Caring has very little flexibility already and we're also having to pick up things that services keep dropping.”\(^11\)

\(^{6}\) Bevan Foundation (2022): A snapshot of poverty in Summer 2022
\(^{7}\) Citizens Advice Cymru (2022): Wales: Cost of living briefing July 2022
\(^{8}\) Public Health Wales (2021): Unpaid carers in Wales: The determinants of mental wellbeing
\(^{9}\) University of Sheffield (2020): Supporting Working Carers: how employers and employees can benefit
\(^{10}\) Carers Wales (2021): State of Caring 2021: Wales Briefing
\(^{11}\) Free text response from a Wales-based carer to Carers UK cost of living survey conducted in February 2022
What carers have told us

The acute vulnerability of carers to financial shocks was apparent long before the present cost-of-living pressures and before the upheaval of the Covid-19 pandemic. In 2019, nearly half of carers in Wales (45%)\(^\text{12}\) told us that they were struggling to make ends meet in our State of Caring survey. By autumn 2021 unpaid carers in Wales told us they were having to spend an average of £109.75 per month\(^\text{13}\) out of their own pocket to care for the people they look after, or over £1,300 a year from the carer’s own funds above and beyond any support the cared-for person may be entitled to receive. 23% of carers said there were in debt, or had been in debt previously, because of caring\(^\text{14}\).

In February 2022\(^\text{15}\) carers in Wales told us about the impact the worsening cost-of-living situation was having on them. Two thirds of carers said they had cut back on their heating use and a majority (51%) said they were unable to manage their monthly expenses. Looking to the months ahead, nearly half (48%) thought they would not be able to heat their home to a safe level, potentially risking the health of the person they look after, and 4 in 10 (41%) said they were worried they may have to resort to using a foodbank to sustain themselves and the person they look after. Unsurprisingly in such a difficult context, a staggering 80% of carers in Wales said they felt stressed and anxious when thinking about their finances.

“Annoyed, frustrated and extremely worried for my future and that of those I care for.”\(^\text{16}\)

“Everything is going up and I’ve had to give up a full time job to care for my mother.”\(^\text{17}\)

“I am only just breaking even, with the ongoing increases in cost for most things it won’t be long before I am in debt and the risks that come from that. I cannot work due to my caring responsibilities so there is no way out.”\(^\text{18}\)

This polling was conducted as inflation had started to accelerate but before the energy price cap rose significantly in April. With the situation deteriorating, we have every expectation that the financial situation for unpaid carers has worsened significantly in recent months, and the need for targeted support will have become even more urgent.

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\(^{12}\) Carers Wales (2019): State of Caring 2019
\(^{13}\) Carers Wales (2021): State of Caring 2021: Wales Briefing
\(^{14}\) ibid
\(^{15}\) Carers Wales (2022): Financial pressure on unpaid carers unsustainable for carers in Wales
\(^{16}\) Free text response from a Wales-based carer to Carers UK cost of living survey conducted in February 2022
\(^{17}\) ibid
\(^{18}\) ibid
From financial pressures to a health crisis

There is a growing body of evidence that unpaid carers suffer from poorer health than the population at large. This can be due to the physical demands of the tasks carers undertake, the mental strain and emotional distress that often accompanies caring for people with complicated and/or long-term health conditions, and the tendency of carers to neglect their own health needs as they prioritise the needs of the loved ones they look after. In 2021, Public Health Wales analysed an e-cohort of unpaid carers in Wales against a non-carer comparison group. The analysis found that unpaid carers experience poorer physical and mental health than the wider population, and that carers were also more likely to be living with multiple long-term conditions from a younger age than non-carers.

Carers are therefore particularly at risk to the negative health impacts of the cost-of-living crisis. YouGov polling released in May 2022 by the Royal College of Physicians found that 60% of people in Wales feel that their health has been negatively impacted by the rising cost of living. 43% of the public in Wales said their financial situation had negatively impacted their mental health in research published by the Bevan Foundation in July, and 30% said their physical health had deteriorated. In August 2022, the NHS Confederation warned that “if people are forced to live in cold homes” and cannot afford nutritious food “their health will quickly deteriorate” resulting in increased pressure on health and social care.

“Because of caring I cannot see any way of improving my income. I am also exhausted most of the time.”

“I’m terrified. We have closed off the upstairs of our house, and now live in our downstairs rooms only (bathroom is on ground floor too). All electricity upstairs is off at sockets.”

Our research during the pandemic found that the vast majority of unpaid carers were exhausted and had been unable to take any breaks from caring since the pandemic began. The cost-of-living crisis, exacerbating the already poorer health of carers, risks pushing carers beyond breaking point. This could lead to increased hospital admissions (whether of the carer or the people they can no longer look after), and/or a greater need for community care packages if carers can no longer care or have to go back to work or increase their working hours to make

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19 Public Health Wales (2021): Unpaid carers in Wales: The creation of an e-cohort to understand long-term health conditions amongst unpaid carers in Wales
20 Royal College of Physicians (2022): Over half of Brits say their health has worsened due to rising cost of living
21 Bevan Foundation (2022): A snapshot of poverty in Summer 2022
22 NHS Confederation (2022): NHS leaders make ‘unprecedented move’ urging government to act now on rising energy costs or risk public health emergency
23 Free text response from a Wales-based carer to Carers UK cost of living survey conducted in February 2022
24 Ibid
25 Carers Week (2021): Breaks or breakdown Carers Week 2021 report
ends meet. Should the cost-of-living crisis for carers not be tackled, Wales risks placing additional strain on already over-stretched health and social care services.

**Financial support for carers so far in 2022**

In March 2022 the Welsh Government announced that unpaid carers in receipt of Carer’s Allowance would be eligible to apply for a one-off £500 recognition payment through their local authority. While not originally planned as a response to the rising cost of living, these payments have provided welcome financial support for eligible carers. Regrettably, most unpaid carers in Wales were not eligible for this payment as only around 57,000 of them receive Carer’s Allowance out of an estimated 584,000 carers.

June saw the Welsh Government announce an additional £4.5m of funding for the Carers Support Fund which provides grants of up to £300 for unpaid carers. It is welcome that any unpaid carer in financial distress can apply, but the scale of the funding means that only a small proportion of carers will be able to benefit. After providing a payment of £200 in winter 2021 in recognition of increased heating bills to people in receipt of certain benefits, Welsh Ministers announced in July 2022 an extension to the Fuel Support Scheme to include Carer’s Allowance recipients after a £90m investment, providing £200 of support to eligible carers. In September eligibility was extended to include those with an underlying entitlement to Carer’s Allowance.

Carers Wales has consistently called for recognition payments and other ad-hoc payments to reach as many carers as possible, rather than just those able to claim Carer’s Allowance.

Carer’s Allowance is the lowest benefit of its kind at just £69.70 per week. The restricted eligibility criteria and earnings limit of only £132 being stopped completely means the vast majority of carers are unable to claim it. Those above pension age are also unable to receive Carer’s Allowance due to overlapping benefit rules. Carers Wales and Carers UK have long called on the UK Government to reform Carer’s Allowance so more carers can claim it.

“Driving to care for mother, cost of petrol! I don’t get Carer’s Allowance as its deducted from my UC [Universal Credit]. I’m actually in debt from caring for my mother.”

“The ludicrous decision that state pensions and Carer’s Allowance are cross over benefits has reduced my income... This has put me in a position of losing a substantial and necessary part of my income, while the state and local authority benefits from me keeping down the cost of

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26 Welsh Government (2022): Unpaid carers in Wales to receive a £500 payment as part of £29m investment
27 Carers Week (2022): Carers Week 2022 Report
28 Free text response from a Wales-based carer to Carers UK cost of living survey conducted in February 2022
housing, feeding and caring for my mother as well as my aging husband (now 80) and also a grandchild part time.”

In May the UK Government announced a package of cost-of-living support payments. As Carers UK argued at the time, though the payments will give some comfort to carers on means tested benefits and pensions, several hundred thousand carers across the UK who claim the non-means tested Carer’s Allowance will be unable to claim. Though the September announcement of a freeze to energy prices will bring some relief to carers, the UK government must take action on Carer’s Allowance and other benefits to help carers manage with high energy bills for the foreseeable future.

In Scotland, where control over Carer’s Allowance is devolved, the Scottish Government has paid a twice-yearly supplement worth nearly £500 to Carer’s Allowance recipients since 2018. This amount was doubled during the pandemic to nearly £1000 per year. A consultation is currently underway on replacing Carer’s Allowance with a Scottish Carers Assistance payment.

Key Policy Asks

Unpaid carers are one of the groups that are most at risk from the cost-of-living crisis. Taking action to fortify the finances, and therefore the health, of carers is the only way to prevent huge additional costs and strain on health and care services. The public recognise the importance of reinforcing carers, with YouGov polling for Carers Week in June 2022 finding that 86% of the public in Wales wanted the Welsh Government to do more to support unpaid carers.

The Welsh Government should

- Commit to repeat the Fuel Support Scheme in early 2023 and at least twice yearly until the cost-of-living emergency passes.
- Explore how future Welsh Government payments to mitigate the cost-of-living emergency can be provided to carers who are not eligible or do not receive Carer’s Allowance such as those who are above pension age or those with an underlying entitlement but who do not claim Carer’s Allowance as it may affect other benefits.
- Ensure unpaid carers are considered as an at-risk, priority group in all Welsh Government anti-poverty and anti-fuel poverty strategies and policies.
- Add Carer’s Allowance as a qualifying benefit for the home energy efficiency improvements provided by NEST and other Welsh Government-funded energy efficiency schemes.

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29 ibid
30 Carers UK (2022): Carers UK’s response to the Chancellor’s support plan for the cost-of-living crisis
31 Carers UK (2022): Carers UK reaction to freeze on energy bills
32 Carers Week (2022): Carers Week 2022 Report
• Establish a Carers’ Register to allow carers to be identified and targeted for financial and welfare support schemes.
• Continue to invest in and promote the ‘Claim What’s Yours’ campaign to encourage carers to claim the benefits to which they are entitled.
• Support carers to stay in work through encouraging employers to co-create carers policies for the workplace with carers and their representatives, in keeping with the Welsh Government’s commitment to fair work and worker voice.
• Establish a Fair Work Forum for Carers in Employment consisting of stakeholders and employers across sectors to identify appropriate expectations of support for unpaid carers in the workplace and to ensure carers benefit from the fair work and social partnership agenda.

Local authorities should

• Expand their local grants and hardship funds, proactively promote them to carers, and review eligibility criteria and consider elements of discretion to remove barriers to carers applying.

The UK Government should

• Increase the earnings limit for those claiming Carer’s Allowance, so that it is at least equal to 21 hours work at the National Living Wage.
• Unpaid carers in receipt of Carer’s Allowance should be given a one-off top up payment to support them through the winter.
• All benefits should be uprated in line with current levels of inflation before next April.

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